

**REMARKS**

Claims 1-13 remain in the application. Applicants note with appreciation the indication of allowable subject matter in claims 3, 4 and 11, but respectfully request reconsideration of the application and allowance of all claims in view of the above amendment and the following remarks.

Claims 1, 2, 5-10, 12 and 13 are rejected for anticipation by Khansari. This rejection is respectfully traversed.

The present invention is directed to a coding technique where a pictures is divided into segments each including plural Groups of Blocks (GOB's), with each segment separated by a synchronization signal. The novel aspect of the present invention is that the motion vector of one segment is allowed to extend into an adjacent segment.

Khansari discusses H.263 where a picture is divided into slices, with each slice comprising one or more contiguous macroblocks, and with each macroblock including a plurality of blocks. But the "slices" referred to in Khansari are not the same as the "segments" in the present invention. A recurring issue throughout prosecution of this application has been the proper interpretation of the word "segments." Applicants have again amended the claims to clarify what is meant by a segment, and how it differs from the arbitrary segments which the examiner may try to identify in Khansari or other cited art.

At lines 6-26 of page 5 of the application as originally filed, applicant has defined segments as being separated by synchronization signals. It is the extension of an estimation across a boundary defined by a synchronization signal that makes the invention unique. There is

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no suggestion anywhere in Khansari of having slices separated by synchronization signals, nor is there any suggestion of having motion estimation extend across a boundary defined by a synchronization signal.

In view of the above, reconsideration and allowance of this application are now believed to be in order, and such actions are hereby solicited. If any points remain in issue which the Examiner feels may be best resolved through a personal or telephone interview, the Examiner is kindly requested to contact the undersigned at the telephone number listed below.

Respectfully submitted,

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